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LATIN AMERICA REPORT

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VENEZUELA, MEXICO REAFFIRM ENERGY COOPERATION TO CENTRAL AMERICA

Caracas EL UNIVERSAL in Spanish 14 Sep 81 p 1-19

[Text] Acapulco, Mexico, 13 Sep--Today, Mexico and Venezuela ratified effectiveness of the energy cooperation agreement with Central America and the Caribbean.

The representatives of both countries who are attending the special meeting of the Latin American Energy Organization (OLADE) confirmed the decision to continue implementation of the agreement.

The OLADE meeting is studying energy programing for Latin America in the coming decades.

There had been speculation recently on the possible negative effect that the oil relations between the two countries might have had, owing to the recent diplomatic confrontation resulting from the declaration by Mexico and France on El Salvador.

The Mexican secretary of Patrimony and Industrial Development, Jose Andres Oteiza, said that "I have said repeatedly that the agreements signed with Venezuela in the framework of the San Jose de Costa Rica Agreement for supplying oil under favorable conditions to the countries in the area are disassociated from any kind of political consideration."

He stated that "differences like this are discussed by my government in the proper forums, especially in the United Nations."

He said that Mexico in no way feels that oil can be used as a weapon for negotiation or political pressure, but, on the contrary, as an aid to the well-being of the inhabitants of the receiving countries who are, in the final analysis, the ones benefiting directly from that aid.

The Venezuelan minister of Energy and Mines, Humberto Calderon Berti, stated that "when President Herrera Campins and President Lopez Portillo signed the energy cooperation program in San Jose de Costa Rica on 3 August 1980, we decided to apply it to every country in the region, independently of political circumstances that might prevail in them at a specific time."

Calderon said that the agreement was ratified by President Herrera Campins, in a message addressed to President Lopez Portillo, "who responded affirmatively."

He added that "this morning, we heard the affirmation of the Mexican secretary of Patrimony and Industrial Development, Jose Andres Oteiza, who repeated his country's political commitment to stay within the scope of the San Jose Agreement."

He pointed out that Venezuela will continue to act so that the commitment acquired to supply oil to the countries in the region will be financial cooperation for payment of their bills.

He added that "also for development of their energy programs," independently of any political circumstances that there might be at a specific time.

Calderon Berti stated, finally, that Venezuela maintains a very clear stand with regard to international cooperation, "and that is that it is not subject to considerations of a political nature and it does this with all the countries in the region, in a spirit of international solidarity."

10,042

CSO: 3010/1

BRIEFS

JAPAN DECLINES OIL OFFER--Guadalajara, Jalisco (Mexico), 6 Oct (NOTIMEX)--Japan today declined Mexico's offer to increase its oil deliveries. According to statements by the vice president of the Japanese Petroleum Association, (Choei Furusahua), Japan will continue to buy 100,000 barrels a day. The basic reasons put forward for this decision are, among others, the drop in oil consumption in Japan, the current shortage of storage facilities, difficulty in the processing of Mexican oil of the "Maya" type, and others. (Furusahua) spoke today during the second day of sessions of the 13th plenum of the Japan-Mexico Businessmen Committee. He was replying to the Mexican ambassador to Japan, Francisco Javier Alejo, who yesterday asked the official Japanese representatives about Mexico's offer to up its oil sales to 300,000 barrels a day. The Japanese businessman said that his country found itself in the obligation to say that the "Maya"-type crude does not lend itself to the production of articles suitable to national needs because it is too heavy and contains excessive amounts of sulphur. He also said that because of its abundant metal content, it is difficult to refine and process in keeping with Japan's environmental protection standards in its installations. [Excerpt]
[FL072020 Mexico City NOTIMEX in Spanish 0135 GMT 7 Oct 81]

CSO: 3010/62

POWERPLANTS TO GENERATE MORE THAN 2 MILLION KW BY 1982

Caracas EL NACIONAL in Spanish 10 Sep 81 p D-7

[Article by Cayetano Ramirez]

[Text] When the electricity generating units under construction go into operation and the first heightening of the Guri dam is completed at the beginning of 1983, the nation's demand for electricity will be covered and no serious crises or deficit are in sight in this field of energy in the near future.

The situation appears as follows: by that same year, Unit 3 of Planta Centro (with 400,000 kilowatts) and Unit Tocoa 9 (with 400,000 kilowatts) will become operational. They should cover the increase in demand for electricity during 1982, because by the middle of that year Planta Centro 4 will go in operation adding another 400,000 kilowatts to cover further demand during the second half of 1982 and the beginning of 1983.

In order to outline this situation, we conducted a survey that began at Guri, where we visited several persons in charge of constructing the final step of the large hydroelectric powerplant, including Engineer Pascual Sarubbi Diaz, inspection manager, and, in Caracas, where we talked with the general manager of EDELCA [Caroni River Electrification Project], Engineer Efraim Carrera and some of his assistants.

The point is that there was earnest expectation concerning two dark years with regard to the country's supply of electricity. This period was identified by experts in the electricity sector, in industry and the Engineers Association as the period between the middle of 1981 and the end of 1982. It was said that not only some delays in construction of Guri and Planta Centro would contribute to this deficit in the supply of electricity, but also the runaway growth in demand that had been projected on the basis of increases occurring in the recent past.

Now the time made up on the construction jobs, making the time for the new generating units to go into operation closer, and the fact that demand for electricity has slowed down and is not experiencing the runaway growth that had been forecast previously, are contributing to a more optimistic estimate of the situation.

First 10 Meters of Guri Heightening

It is difficult for many to understand that, in order to raise the Guri Dam only 10 meters, it has taken 2 years of work and that almost two more are still needed.

What is actually involved is construction of a another wall 230 meters high (the previous dam was 220 meters high, but it will practically be incorporated in the new wall), which has over a kilometer of concrete and 6 kilometers of rock and earth. The wall is not really a wall, but rather half a pyramid, very wide at the base and narrowing to around 10 meters at the top. When it is completed, in 1986, and is 282 meters high, it will be possible to walk on its crest, which will be an avenue with two lanes for automobiles, sidewalks and all the rest.

Description of the technical situation occurring as the dam increases in height indicates that the first 10 generating units installed (the first three with 175,000 kilowatts, the fourth, fifth and sixth with 220,000 kilowatts, the seventh with 360,000 kilowatts and the eighth, ninth and tenth with 400,000 kilowatts) did not generate their full potential owing to the height of the water in the reservoir, 215 meters. When the dam is increased in height to 230 meters, the water level will be 225 meters and the thrust of this enormous additional volume will increase the production potential of the 10 units installed in the first stage by approximately 15 percent. This means that by raising the water level only these 10 meters additional energy amounting to 1 million kilowatts will be obtained.

This is what will be completed in May 1983. The dam will have risen to a height of 230 meters. But by that same time installation of the first two generating units (13 and 14) of the final stage of Guri will have been completed. They will have a generating capacity of 700,000 kilowatts, but, owing to the height of the dam, they will only generate 350,000 kilowatts for a time. In short, Guri will incorporate only about 2 million kilowatts of power during 1983. To this should be added the two additional units of Planta Centro and one unit of Tocoa to obtain a figure amounting to almost 3 million kilowatts incorporated, according to conservative estimates by the experts.

For this reason and in view of the fact that demand is remaining at a rate lower than the forecast rate, it is thought that, if there are no unexpected delays, we shall be able to have the required supply of electricity. At any rate, attention is called to the fact that we shall go through a period until 1983 in which there will not be sufficient reserve capacity and repairs will have to be rationed in each case in which it may be necessary to shut down a machine for maintenance.

EDELCA Handled Construction of Dam

As a result of the crisis causing the known delays in construction of the Guri Dam and that brought about direct intervention by EDELCA, the state electricity company, in handling the construction job, important changes have occurred. The first change was that EDELCA was able to restore the pace in the work and succeed, at the beginning of this year, in pouring 140,000 cubic meters of concrete in the wall. Progress was also made on all the other fronts. The labor front merits special mention, because not only was action taken on grievances pertaining to working conditions themselves, but also food, recreation, sport, housing and other facilities (we visited messhalls and facilities with Engineer Michel Drossos, who is handling the matter), in addition to organization of visiting time for family members and other factors affecting the quality of life and the working conditions of the personnel force of over 10,000 men building the Guri Dam in this region considerably below the Orinoco.

At present, the new contractors are already on the job, working on construction. EDELCA is organizing its inspection and supervision teams and when the contracts are finally signed, they will be responsible for construction until its completion, in 1986. By that time, 10 new turbines will have been installed and the final capacity of Guri--9 million kilowatts--will have been attained.

10,042

CSO: 3010/1

PEREZ SUPPORTS CASTRO'S POLICIES, COPEI SPOKESMAN CHARGES

Caracas EL NACIONAL in Spanish 10 Sep 81 p D-7

[Text of statements by Deputy Jose Rodriguez Iturbe, international spokesman of COPEI and chairman of the Foreign Relations Advisory Committee, accusing Carlos Andres Perez of being Castro's instrument]

[Text] Deputy Jose Rodriguez Iturbe, chairman of the Foreign Relations Committee (CARE) and international spokesman of COPEI [Social Christian Party], accused former President Carlos Andres Perez of going along with the strategies of Cuba's Castro regime. The accusation states that CAP [Carlos Andres Perez] and the secretary general of the Dominican Revolutionary Party, Francisco Pena Gomez, "are docile instruments of Castro's policy with regard to Central America and the Caribbean."

In a long statement sent in writing to EL NACIONAL, Deputy Rodriguez Iturbe accused former President Perez and Pena Gomez of having discussed, in Madrid, at the end of last year, the so-called "final offensive" of the Salvadoran guerrilla movement. He also accuses CAP of trying to prevent a democratic outcome in elections both in El Salvador and in other Central American nations by supporting guerrilla movements and the recent Franco-Mexican communique on the Salvadoran situation.

In response to an accusation by CAP of the policy of the present government, the Social Christian leader states that the only democratic president praised sweetly as "adviser and friend" by the United States Government is precisely Carlos Andres Perez who won that kind of description from former President Carter.

The following is the text of the statements by Deputy Jose Rodriguez Iturbe in reply to former President Perez:

Heads of the America Department of the Central Committee of the Communist Party of Cuba, Farabundo Marti guerrilla leaders in El Salvador and Sandinist leaders discussed with Perez, at the end of last year in Madrid, the plan of the so-called "final offensive" that started on 10 January 1981 in El Salvador. We know this, because Perez himself has told us it. Then, how can he say that he does not support the guerrilla movement in El Salvador? How far do CAP's connections with the

America Department of the PCC [Communist Party of Cuba] go and how far do the Marxist-Leninist guerrilla fighters all over Central America trust him, when they discuss future action plans in great secrecy?

CAP said the following, without any sign of shame in his statements in Maracay: "I refer to my conduct in the case of Nicaragua." We answer that, precisely, because of the stupidity of his conduct in the case of Nicaragua--whose effects are obvious to anyone who refuses to close his eyes to so sad a reality--patriotic attitude prevents a repetition of similar mistakes, tragic for Sandino's people and tragic for Latin America. Nicaragua is today--increasingly-- a docile instrument of Cuba's foreign policy. It is symptomatic that the only country, aside from Cuba, in the entire hemispheric community, backing Mexico's maneuver, inspired by Cuba, was Nicaragua. Several leaders of the Socialist International, including Carlos Andres Perez and Pena Gomez, participated in and are participating in that maneuver into which France was dragged. The maneuver attempts to bring about, by any means whatsoever of international pressure, frustration of the election process in El Salvador and obstruction of the other election processes underway in Central America. When the people can choose their destiny by the civic, peaceful means of voting, the armed course of totalitarianisms is left without spirit.

What does Perez want? For the same thing to happen in the other countries of Central America that is happening at present in Nicaragua where there is not even a remote possibility of free elections with several alternatives? That is also what Cuba wants. It is not superfluous to point out that Castro is about to equal in years the time that the Gomez dictatorship lasted. And no one better than the Cubans knows that some time ago he exceeded the most savage and longest of our autocracies in affronts to human dignity.

CAP can hardly complain about the Latin American communique with regard to the Cuban-Mexican maneuver that he supports. The leaders of his party--in which the sensible majority do not share his criteria on foreign policy--or those who were members of his administration cannot complain either. We Venezuelans do not forget that the summit meeting of continental dictators was the one assembled by CAP in Puerto Ordaz for the sole purpose of supporting them economically. His best interlocutor there was Somoza. When that happened, neither Gonzalez Barrios, who was president of Congress and president of AD [Democratic Action], nor Jose Maria Machin, who was ambassador to the OAS, protested against the bad company kept by the chief of state. CAP says that he met with dictators, but not to justify crimes. Our reply to that is: the explanation is simplistic.

Concerning the supposed alignment of the foreign policy of the administration of LHC [Luis Herrera Campins] with the policy of the United States, we remind him that the only democratic president praised sweetly as "adviser and friend" by the government of the United States is precisely CAP who won that description from former President Carter.

On my first trip to Nicaragua--and Luis Esteban Rey bears witness to this--the present minister of Tourism (at that time chief of protocol of the Sandinist MRE [Ministry of Foreign Relations]) told us that when he came to Caracas in search of economic aid for the Sandinists, CAP stated that "between a rightist and a leftist dictatorship, I prefer a leftist dictatorship." My response to that--Luis Esteban Rey is witness--was that it seemed to me an absurd statement, because

between choosing to die from arsenic or by hanging, we would prefer to say that we do not choose either method. We prefer to live!

Because CAP cannot overlook the fact that the whole Central American crisis whose guerrilla movements are sponsored and supported by Cuba is occurring in Venezuela's vital area from political, economic, cultural and strategic points of view, we challenge him to answer the following questions before national and international public opinion:

Does CAP think that the solution to Latin America's problems lies in the violent method of Castrolist guerrilla movements? Yes or no.

Does CAP think that the solution lies in the peaceful, civic, democratic course of free, plural elections? Yes or no.

Does CAP think that Latin America's problems can be solved only by the Latin Americans? Yes or no.

Does CAP think that the interference of foreign powers contributes to solving Latin America's problems? Yes or no.

Does CAP think that the alliance of some sectors of the IS [Socialist International], represented by him, with Castro's Cuba and its policies benefits Social Democracy? Yes or no.

CAP had a very close experience with violation of the nation's sovereignty by Castroist guerrilla fighters. He contributed to their crushing political and military defeat. Therefore, his absolute bending before the policies drawn up in Havana is so amazing.

We are sure that former President Betancourt and the sensible majority of AD, a party with a fundamental role in our democracy, do not share the pro-Castro stands taken by former President Perez. COPEI does not share them either. COPEI and the large sensible majority of AD, as well as all the National Armed Forces, form Venezuela's overwhelming patriotic majority.

10,042

CSO: 3010/1

SALVADORAN OFFICIALS IN PARAGUAY EXPLAIN GOVERNMENT PROPOSAL

PY010328 Asuncion ABC COLOR in Spanish 30 Sep 81 p 13

[Text] The solution to the acute problem which El Salvador is enduring is eminently political and the government is determined to seek a peaceful and convenient outcome to this crisis. This is what can be gathered from the statements made here yesterday by Col Julio Gonzalez Palomo and Sara de Nosiglia, officials of the Salvadoran Government, who met with acting Foreign Minister Sabino Augusto Montanaro.

The envoys of the Salvadoran Government junta, on behalf of the junta, conveyed greetings to Minister Montanaro and through him to President Alfredo Stroessner and expressed their gratitude over the "positive attitude of the Paraguayan Government which was against the French-Mexican declaration on El Salvador."

At the same time they explained to the acting foreign minister the proposal of the Salvadoran Government which seeks to find a solution to the crisis of violence which affects El Salvador.

The interview, which lasted half an hour, was also attended by Foreign Relations Under Secretary Rodney Elpidio Acevedo and Salvadoran Ambassador to Paraguay Salvador Revira.

The two high ranking Central American officials after remaining in Asuncion for a few hours left for La Paz where they will continue to carry out the mission they have been entrusted and which is directed at Brazil, Uruguay, Argentina, Chile, Paraguay and Bolivia according to their statements.

During a press conference after the private meeting by the Salvadoran official mission with Minister Montanaro, Sara de Nosiglia referred to the most outstanding points of her country's government's proposal which urgently seeks a definitive solution to the conflict which that nation has endured for years.

Sara de Nosiglia stated that seven highlights of this proposal are:

"1. That, according to the revolutionary junta of the government, the crisis is strictly political.

"2. That the main purpose of this proposal is the electoral process which includes all political parties engaged in a multiparty dialogue.

"3. That the process has the necessary guarantees to achieve its objectives of justice and freedom.

"4. The invitation which President Jose Napoleon Duarte has made to all the political parties to engage in a dialogue which will be sincere, constructive and free of any type of selfishness.

"5. In a speech made recently President Duarte invited the National Democratic Union and the National Revolutionary Movement to give up their hostile attitude towards the junta.

"6. The request that the Revolutionary Democratic Front legally register as a political party before the electoral process begins.

"7. The Salvadoran Government will not negotiate with any armed group, and independent from the decision of the Revolutionary Democratic Front and the National Democratic Union, will call for elections next year, first for the establishment of a national constituent assembly and later on for the elections of the future president of the republic."

In response to a question Colonel Gonzalez Palomo emphatically stated that Marxist penetration in Central America is a fact, "It is the Salvadoran's problem, something which has the entire Latin American continent concerned because the attack which starts in Central America has future plans directed to the entire American continent."

He was also cautious regarding the character and influence of the governments of neighboring countries to El Salvador by stating that his government "maintains an attitude of expectation toward these countries."

He then accused the Cuban Government of being directly involved with the supply of logistic support to all the movements which have been responsible for the crisis which the Central American nations endure.

CSO: 3010/60

SALVADORANS IN BOLIVIA REPORT ON SITUATION

PY071109 La Paz Radio Illimani Network in Spanish 0100 GMT 7 Oct 81

[Text] The present internal conflict that the Salvadoran people are enduring can only have a political and peaceful solution that should be found by the Salvadoran people themselves. This statement was made at a press conference by members of a Salvadoran ministerial commission.

The Salvadoran delegates met this morning with Foreign Ministry Under Secretary (Moises Fuentes Ibanez) in order to explain the situation in their country, which has been disturbed by the action of extremist leftist and rightist forces. They also explained the Salvadoran Government's goals aimed at overcoming this situation which has caused 30,000 dead over the last 3 years.

Salvadoran Education and Labor Ministers Carlos Duarte and Julio Samayoa talked with Under Secretary (Ibanez) for over 1 hour and then they gave a press conference where they mentioned several details on the Salvadoran situation. They said that the regime headed by Jose Napoleon Duarte has summoned all sectors involved in the power struggle to form political parties in order to hold a plebiscite that would take place in March 1982, in order to restore Salvadoran democracy. They stressed that the government and the armed forces will absolutely respect the results of the ballot boxes.

At the press conference, the ministers said that the extremist leftist movement intends to establish Marxism-Leninism in El Salvador and that the extreme right is seeking to recover the hegemonic power that it exercised during 50 years, mainly in the economic area.

They accused the USSR and particularly Cuba of supporting the leftist movements and they said that the U.S. military advice is aimed at avoiding the establishment of a communist system in El Salvador.

CSO: 3010/60

FORMER BOLIVIAN OFFICIAL ON ARGENTINE INTERVENTION

PY070229 La Paz PRESENCIA in Spanish 30 Sep 81 p 9

[Text] (ANF)--The statement made by former Bolivian Foreign Minister Eduardo Arce Quiroga on the meetings that have been held by U.S. and Argentine officials in order to discuss the Bolivian political situation suggested that Argentina has been clearly intervening in Bolivia since 1979.

As is known to the public, a mission from the U.S. State Department arrived in the country last Thursday, and after holding meetings with national officials it left for Buenos Aires on Saturday, in order to discuss "the Bolivian affair" with Argentine officials. The meetings that the mission held with Bolivian officials were regarded as "steps that are essential for the normalization of diplomatic relations."

The Argentine intervention in Bolivian internal political affairs has been reported by the Argentine press itself and it stirred up trouble between Jorge Rafael Videla's military regime and his U.S. counterpart Jimmy Carter, after the coup d'etat led by Gen Luis Garcia Meza on 17 July 1980.

Foreign Minister Arce Quiroga expressed the hope that "the understanding that Argentina and the United States have arrived at on the Bolivian case will have the same purpose as the French-Mexican declaration on the situation in El Salvador."

He added that "since no explanation on this matter has been given so far, the Bolivian people are awaiting the explanations to which they are entitled in keeping with their status as a sovereign nation."

Arce Quiroga explained that Argentine intervention was first detected in 1979, when Argentina voiced its displeasure over a joint declaration supporting the nonintervention principle which was issued at a meeting of presidents in Panama (Panamanian sovereignty over the canal).

He also referred to the Bolivian diplomatic achievements at the international level, accompanied at the ninth OAS assembly held in La Paz during a period of democratic life in Bolivia, which drew wide international support.

Before and after that international meeting, two military uprisings took place (10 October and 10 November) and both opposed Bolivian international policy.

He concluded by saying that "it is a group from the Argentine military sector" which is intervening in Bolivian internal affairs, and that this intervention reached a critical point on 17 July when Garcia Meza took over the government, with Argentine "not only political but also financial" support.

CSO: 3010/60

MEXICAN EMBASSY GRANTS ARGENTINE ASYLUM

PY222043 Asuncion ABC COLOR in Spanish 22 Sep 81 p 9

[Text] Authorized sources confirmed to this newspaper yesterday that a young Argentine, Roberto Horacio Eguia, has requested and obtained asylum in the Mexican Embassy in this capital. Eguia went to the Mexican ambassador's residence on 7 September to request asylum. He indicated that he was being persecuted by the police because police officers have reportedly come to his house on two occasions probably to summon him for investigation.

The authorized sources indicated that the Mexican ambassador carried out an appropriate investigation checking on the background of the Argentine citizen. When he found out that there were no charges against him, he decided to grant him asylum on 9 September. It has been learned that Eguia has no relatives in this capital, that he has been living here for 4 years and that he is in business selling bathroom fixtures and agricultural products.

The request for asylum was made because the Argentine is afraid of being arrested by the Paraguayan police and then handed over to Argentine officials for having been linked to a union movement of the Argentine Justicialist Party 7 years ago. This is why he reportedly came to live in Paraguay. The same sources revealed that "he has no record of subversive activities in Argentina and that he was only associated with Peronism at a very early age."

Eguia is 25 years of age. The Mexican Embassy has already requested his safe-conduct from the Foreign Ministry so that he can leave the country. It should be recalled that another Argentine, Juan Jose Augulleiro, was also granted asylum in the Mexican Embassy last year. He stayed there for 143 days but was finally able to leave the country after the government granted him safeconduct.

CSO: 3010/60

BRIEFS

CHANGES IN ANDEAN PACT--The alarm call sounded in Caraballeda by the president of the Venezuelan Council of Industry concerning the bad operation of the Andean Subregional Pact seems to have produced an effect, because the Cartagena Agreement Commission decided on a change in the sectoral programs, in the automotive, petrochemical and metalworking fields. The Andean Pact members--Bolivia, Colombia, Ecuador, Peru and Venezuela--approved, in Bogota, a thorough revision of the various commercial activities on the subregional level. The commission believed it necessary to promote studies pertaining to incorporation of the Andean Pact with the Latin American Integration Association, SELA [Latin American Economic System], Argentina, Mexico, the United States, the European Economic Community, Brazil, the Central American countries, the Amazon countries and the socialist countries. In this way, an attempt is made to redimension the framework of the sectoral agreements to a macrolevel, so that common trade will have other possibilities just like the various goods subject to the Subregional Agreement. But not everything is good. the commission was unable to come to an agreement with regard to the debatable common foreign tariff and it decided to postpone its discussion to the next meeting of the body to be held in Caracas. As of now, there is expectation on this meeting, because the idea of getting the Cartagena Agreement out of stagnation or, otherwise, of withdrawing our country from the pact originated in Caracas. [Text] [Caracas BOHEMIA in Spanish 21 Sep 81 p 22] 10042

CSO: 3010/1

'TELAM' CRITICIZES REAGAN IMF SPEECH

PY072142 Buenos Aires TELAM in Spanish 1200 GMT 3 Oct 81

[Commentary by Cecilio Jack-Viera]

[Text] Buenos Aires, 3 Oct (TELAM)--The meeting of the International Monetary Fund and the World Bank is being held in Washington at the same time as the sessions of the UN General Assembly are being held. This means that parallel to the political meetings and speeches those of an economic nature are taking place. It is almost unnecessary to point out that these coincidences are not fortuitous: in the current type of civilization which revolves around economic issues, the political and strategic issues, those which are the UN *raison d'etre*, cannot be handled without taking economic issues into account.

This logical conclusion, which in itself anticipated an interesting debate, has been boosted by the fact that President Reagan for the first time would make a speech and voice his opinions on these tough economic matters. In addition to this, Jose Napoleon Duarte, president of suffering El Salvador, simultaneously or almost simultaneously, would state before the UN that misery and oppression were present in the origin of the Salvadoran drama.

We are all aware that Pope Paul VI, in his encyclical *Populorum Progressio* published in March 1967, almost 15 years ago, had warned that a dangerous dichotomy was opening between the rich and poor nations. He warned that the characteristics of trade exchange between one and the other, had the tendency to favor the richest nations. He warned that all that could be an omen of greater problems. In the meantime, almost none of the pope's suggestions have been implemented.

Therefore, we should not be surprised now that problems like that of El Salvador have taken place. Because probably the great current problem of the world is that some few countries have managed to reach acceptable development levels and others, postponed by an endless number of reasons, indefinitely struggle with underdevelopment and misery, which are the origin of rebellion, which are then skillfully channelled by destructive Marxism.

The rich and powerful nations' responsibility is great: it does not mean, as some believe, that they should organize international charity. Above all, as the classics used to preach, they should be just in the political order.

In the world economy there are subtle ways, financial mechanisms by which those countries which are mere producers of raw materials are the eternal debtors of those which, on the other hand, sell highly elaborate products. The more sophisticated the elaborating technology is, the higher the prices of the finished products are. Therefore the imbalance between the nations is due, to a large extent, to the technology gap. This is the real truth, many times accompanied in the underdeveloped countries by the problems of an unstable policy, guerrillas, the consequences of decolonization, etc. In view of this reality, the tone of Reagan's speech before the aforementioned financial organizations caused surprise. He termed this reality, denounced in the Populorum Progressio encyclical, as the North-South secessionist rhetoric. It is quite possible that his historical recollection of the division between the two sectors during the United States' own civil war unconsciously surfaced. Without meaning to do so Reagan's historical recollections have betrayed him. Otherwise it cannot be explained how it can be believed that such problems, which for 15 years have been the concern of the Holy See, could have been termed as simple rhetoric.

In another passage of the aforementioned speech Reagan requested that the developing countries straighten out their economies. He also stated that those countries which have made more progress are those which believed in the magic of free trade. Ever since Adam Smith's times, it has been the classic Anglo-Saxon thesis to make believe that free trade has been the magic wand which has made them progress.

But we find nowadays, contradictorily, that the developed countries have imposed a package of protectionist measures, so that so-called free trade, which in reality has never been practiced loyally, turns out to be an expression of a desire. Let us recall the obstacles placed by the EEC on our agricultural products or those which the United States and some European countries are placing on the cheaper Japanese products.

Anyhow, we should be grateful that Argentina is capable of bearing these difficult times in the world economy because the cost of energy has no great influence, thanks to our petroleum and our nuclear plants. At the same time we could be an example of unselfishness in this field: Argentina is giving Peru, Uruguay and even Brazil a hand in starting their atomic programs. This is the concrete and just way to help the other countries, not by placing obstacles before them or giving them sound advice.

CSO: 3010/61

BRIEFS

COEDS ARRESTED--La Paz, 2 Oct (AFP)--Two Bolivian students of the big San Andres University have been arrested on a public square, relatives of the coeds reported to the press today. The two students arrested are Olga Flores Bedregal of the pedagogy school and Clara Flores Ayarivi of the philosophy school, and they were taken to the office of the Special Security Service (SES). Two other coeds were arrested at a downtown coffee shop 10 days ago. One of these was Debra Pereira who had been leader of the Bolivian University Confederation. [Text] [PY051745 Paris AFP in Spanish 1556 GMT 2 Oct 81]

CSO: 3010/61

BRIEFS

THREATS AGAINST OPPOSITION DEPUTIES--Rio de Janeiro, 30 Sep (TELAM)--Opposition Deputy Paulo Cesar Gomes stated today at the Rio de Janeiro legislative assembly that he and several other legislators have received death and kidnapping threats over the phone. Gomes stated that the kidnapping of Mrs Magali Abrao a week ago for cooperating with the political campaign of Senator Saturnino Braga has been followed by a wave of threats to several legislators. There is an attempt to unleash terror in the political field seeking to break up the democratic process, Deputy Gomes stated. [Text] [PY010223 Buenos Aires TELAM in Spanish 1352 GMT 30 Sep 81]

FORMER COMMANDER SCORES CHURCH SECTOR--Porto Alegre--Senator Jarbas Passarinho has been quite right in his remarks that the church in itself is everlasting but that there is quite an extremist minority group that plays politics. This remark supporting the Senate leader has been made here in Porto Alegre by Gen Antonio Bandeira, former commander of the 3rd Army, who added that he goes to church to attend mass only where the priest does no political preaching; when this happens, I simply leave, he stated. General Bandeira feels that the role of the revolution has not ended, and that direct elections for the president of the republic will only be possible through a general consensus. In his opinion, this consensus is difficult at the moment because there is still retaliation and the opposition is intransigent. General Bandeira has reaffirmed that he is against the legalization of the Communist Party, arguing that communists in general fight for a dictatorship of classes, and Brazil has no desire for a dictatorial regime and is now heading toward a stage of democratic improvement, the main objective of the revolution, he concluded. [Text] [PY010102 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 30 Sep 81]

1980 CENSUS STATISTICS--Rio de Janeiro, 24 Sep (TELAM)--According to the Brazilian Institute of Geography and Statistics, 88 percent of the working population of Brazil (43 million people) earn between \$40 and \$400 per month. These statistics were derived from last year's census. Ten percent of the working population earn between \$400 and \$1,600 per month, while only 1.6 percent earn more than \$1,600 per month. The statistics also revealed that the average age of Brazilians has increased as a result of the declining birth rate, currently 2.49 per 100. Brazil's population is 122 million, of whom 67.57 percent live in urban areas and 32.43 percent live in rural areas. Only China, India, the Soviet Union, the United States and Indonesia have populations greater than Brazil. The official document reveals that 24.7 percent of all Brazilians between the ages of 15 and 69 are illiterate. [Buenos Aires TELAM in Spanish 1145 GMT 24 Sep 81]

PRICES INCREASE 31.2 PERCENT FROM DECEMBER TO AUGUST

San Jose LA NACION in Spanish 16 Sep 81 p 6A

[Text] The general price index, which includes food, clothing, housing and miscellaneous expenses, grew by 31.2 percent between last December and August of this year, according to data supplied by the General Office of Statistics and Census.

During the same period of the previous year (December 1979 to August 1980), that index grew by only 11.1 percent. This shows that during the first months of 1981 there was "a greater acceleration of the growth of consumer prices."

The data are the result of the monthly study done by that institution concerning prices for consumers of middle and lower incomes in the metropolitan area. As indicated earlier, items are grouped into four sectors.

The food category includes meat, grains, produce, dairy products, sweets, fats, condiments, non-alcoholic beverages and other items consumed outside the home.

The clothing sector includes garments and shoes for men, women and children. Housing covers rent, cleaning and maintenance, lighting, fuel, water, telephone, furniture, textile goods for the home, and dishes and kitchen utensils.

The miscellaneous category includes health care, personal items, entertainment, education and transportation.

Moreover, the index for August 1981, when compared with that of August 1980, reveals an annual growth rate of 39 percent. In August 1980, the annual rate was 19.4 percent, which "confirms the acceleration of the growth of consumer prices."

The increases, by group, in August 1981 and August 1980, are as follows: 37.1 percent and 24.6 percent for food; 35.6 percent and 7.7 percent for clothing; 41.7 percent and 15.2 percent for housing; and 40.1 percent and 18.3 percent for miscellaneous expenses.

Finally, the general price index in August 1981 was greater than that of July of this year by 1.65 percent. The increase, by group, was: 1 percent in food, 0.8 percent in clothing, 1.5 percent in housing and 3.3 percent in miscellaneous.

In the miscellaneous category, the one with the greatest increases, the principal price hikes were found in cigarettes, newspapers and beer.

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CSO: 3010/17

GOVERNMENT OPPOSES FAMILY PLANNING POLICIES

San Jose LA NACION in Spanish 16 Sep 81 p 10A

[Text] The government has from the beginning avoided formulating a comprehensive "population policy" because it believes there could be profound repercussions in the nation's population and economy.

This is stated in a manifesto released by the National Planning Office (OFIPLAN) which also states that the idea is to lay the groundwork for such a policy with preliminary studies and analyses.

The OFIPLAN report adds that the government has let it be known "that the population and development plan Costa Rica will eventually need cannot and should not be confused with or restricted to such limited concepts as that of 'family planning.'"

The government opinion also indicates that the above idea also "involves a priori the conviction that the country does not need a demographic policy whose objective is to drastically modify the population growth rate; rather, its goal should be to promote economic development and the fair distribution of such development by means of the humane and rational use of human resources."

Furthermore, the OFIPLAN study states that "until 1978 there was no population policy within the broad context that it is being placed in today," and that in the past many foreign resources and local human resources were used to carry out family planning programs, at a cost of \$13 million, through private institutions.

In the OFIPLAN study, the government rejects the goal of international organizations "to continue a restrictive policy of family planning." For example, it notes that it did not accept a proposal in that regard presented by the Agency for International Development (AID); nor was that proposal approved by the United Nations Population Fund (FNUAP). It also cites the recent declaration formulated in Washington.

Finally, the OFIPLAN report claims that in government programs special attention is given to "the mother and child, before and after childbirth. . . ; to continuing with the family planning information and services to which couples who desire them are entitled, but limiting drastically the interests and activities of some institutions in the utilization of these programs, for the obvious purpose of reducing the nation's fertility."

According to the projections studied by OFIPLAN, by the year 2000 Costa Rica will have a population of 3.4 million, nearly 67 inhabitants per square kilometer. This is 8.5 percent of the total projected population of Central America, estimated at 39.7 million.

ARRIVAL OF OIL DRILLING EQUIPMENT CONFIRMED

San Jose LA NACION in Spanish 15 Sep 81 p 10A

[Text] Mexican Petroleum (PEMEX) officially confirmed that two deep drilling rigs for oil exploration will arrive in this country, stated Minister of Energy and Mines Fernando Altmann Ortiz.

The official reported from Mexico that the cost of bringing in the equipment will be financed over a 20-year term at a 2 percent annual interest rate. The cost itself will depend on how deep the drilling goes and how long the equipment is used. It is estimated that the total cost will be about \$10 million.

The rigs will be used at two different sites: first in Baja Talamanca, in the Watsi Valley, 4 kilometers to the east of Cocolos, where exploration has already been carried out.

The second site is in Limonal, to the north of Cahuita, south of the La Estrella River. The exact site of the drilling has not been chosen yet, although an approximation has been made.

According to Altmann, PEMEX is optimistic about the drilling its equipment will perform. "They are so optimistic," he added, "that to lease these two rigs they are willing to cut down on their exploration activity in Mexico."

The minister of energy asserted that as soon as a 13-kilometer access road is finished, the equipment will be brought to the country.

He claimed that special equipment will be brought in in the next few days in order to finish the road as soon as possible.

The road is expected to be completed by the end of this year, so that drilling can begin by early next year. Perhaps by July it will be known whether the subsoil contains oil.

Coffee

Altmann also mentioned the political negotiations that will begin on 17 September in London to determine coffee quotas for producing countries.

Altmann, who is also chairman of the board of the Coffee Office, stated that Costa Rica will remain firm in its insistence that last November's quota not be reduced by a single sack.

Before that time, the quota was 1.8 percent of the world allotment; after November, it rose to 2.6 percent, which means 1.5 million 60-kilo sacks.

Trade Agreement

Altmann Ortiz remarked that during his stay in Mexico he managed to negotiate a trade agreement that is enormously favorable to Costa Rica. They agreed on the sale this year of 15,000 tons of fertilizer, an amount which will go up to 24,000 in 1982.

He stated that on 16 September an official delegation from the Mexican Government will arrive to arrange for the purchase of 10,000 to 12,000 tons of meat, and to negotiate long-term rice, sugar and cement contracts.

"This cooperation is designed to improve our balance of payments," he said in conclusion.

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FMLN, FDR START PUBLICITY CAMPAIGN IN UNITED STATES

San Salvador EL MUNDO in Spanish 11 Sep 81 p 2

[Text] Leaders of the FMLN and FDR began a well-orchestrated political and publicity campaign in several U.S. cities to garner support for guerrillas in our country through the sale of buttons, T-shirts, bumper stickers, posters and other propaganda items, according to reports to official agencies in this capital city by people in other countries who sympathize with the Government Junta.

It is said that the FMLN and FDR have initially opened 80 offices in various U.S. cities for the distribution and sale of "propaganda for solidarity with the Salvadoran revolution." The main office is in San Francisco, California, it was reported. The campaign is run from there.

Among the articles being sold are red and white buttons, sold for 75 cents, depicting a woman with her fist raised, and the phrase: "El Salvador: The People Will Overcome." Other buttons, colored blue, green and black, have this phrase on them: "U.S. Out of El Salvador." There are also blue, green and black bumper stickers reading: "USA Out of El Salvador," with an outline of a map of Central America and a helicopter.

Informants add that three-color posters bear the slogan: "FDR--El Salvador--Revolutionary Democratic Front." The bumper stickers for cars are sold for \$1.00, and they read: "Stop U.S. Intervention in El Salvador." The posters, sold for \$3.00, say "El Salvador Will Overcome," and depict guerrillas with their fists raised.

The 80 offices also sell T-shirts in four sizes and four-color posters that say: "Solidarity with El Salvador. The People Will Overcome." Finally, it was reported that the "business" the FMLN and the FDR have undertaken in the United States is part of the political propaganda "offensive" announced for this month. It will culminate with the showing of an "arranged" film, portraying guerrilla actions in our country.

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SIGNIFICANT ACCOMPLISHMENTS ON ATLANTIC COAST

Managua EL NUEVO DIARIO in Spanish 8 Sep 81 p 7

[Article by Arilo]

[Text] Bluefields--The vice-minister of the Nicaraguan Institute of the Atlantic Coast (INNICA), Cmdr Lumberto Campbell, talked extensively with EL NUEVO DIARIO about the achievements that have been made during the more than 2 years since the Revolution, in the department of Zelaya. Since 19 July, that department has been known as the Waking Giant.

Cmdr Lumberto Campbell, in addition to his post as vice-minister of INNICA, is also political secretary of the Sandinist National Liberation Front (FSLN) in that area. He is in charge of all projects designed to benefit the entire Atlantic coast of our nation.

The achievements of the Sandinist Peoples Revolution during the more than 2 years that the people have held the reins of power here, can be listed as follows, according to the young guerrilla commander: the National Language Literacy Crusade (in Miskito, Sumo and English, the latter having been spoken by residents of this area since the imperialist occupation by England), the infrastructure that has been installed since the triumph of the Revolution, and progress in the political consciousness-raising of the inhabitants of the Atlantic coast.

Language Literacy Crusade

Cmdr Campbell pointed out that the literacy campaign launched in the department of Zelaya is very complex, since four languages were involved. Thus, the indigenous culture of the area was respected, pursuant to an undeniable tenet of the Sandinist Peoples Revolution. In other words, the Sandinist National Liberation Front, since its infancy, has always respected indigenous cultures, and was thus able to expose the lies perpetrated the Somozaists, both here and abroad, to the effect that the FSLN intended to destroy the cultural values of the Atlantic coast.

The vice-minister of INNICA indicated that the same Language Literacy Crusade was useful in the cultural sphere, in that it rescued the folklore of the region, not totally but about 70 percent. Brigades of Miskitos, Ramas and Creoles have been sent abroad to friendly countries to teach people personally about their unique cultures. They represented our country, something Somoza never permitted; on the contrary, claimed Commander Campbell, these cultures used to be shunted aside.

Economic Infrastructure

"We must be clear and realistic," noted Commander Campbell. "The Sandinist Peoples Revolution has spent millions of dollars since its victory to put an end to the ostracism of the Atlantic coast in terms of infrastructure. Communication with the interior of the country, after being prohibited by Somoza, can become a fact and not just rhetoric, as it was in all the election propaganda that was designed to elect Somoza himself."

Commander Campbell indicated that among the infrastructure projects is the highway that will link the Pacific with the Atlantic. It should be completed by May 1981 [as published]. "We are talking about the Waslala-Siuna Highway," said the guerrilla commander, "which is about 15 to 20 kilometers away from completion."

Other accomplishments include the communication routes that have been constructed, both by river and by air, as well as facilities for rapid communication with the interior through telephone and television. Work is also being done to bring electric lighting to nearly 60 percent of the region.

The vice-minister noted with satisfaction that the Revolution's plans include the completion of the Bluefields Hospital. That hospital, according to Commander Campbell, will be a regional facility meeting the needs of more than 150,000 residents.

The millions of dollars that have been spent for the construction of the new infrastructure of the Atlantic coast have made possible the purchase of new vessels and the repair of old ones, to make transportation more effective.

"I would like to make it clear, however," stated Commander Campbell, "that the work being done on the Atlantic coast has just begun, and that it will be many years before the department of Zelaya has progressed as much as the Pacific coast. There are still serious problems that remain to be solved. For example," explained the INNICA vice-minister, "access roads to bring the harvest to market are still on the drawing boards."

Politics

"We will not deny that in this area we are just beginning," said Commander Campbell, "but we are working hard to respond to the Yankee imperialists and their accomplices, who dream of returning to Somozaism someday."

"Speaking of beginning, that is the way we need to tackle the needs of the region."

"We have our own political cadres, and work is being done on all facets of the problem so that the mass organizations can consolidate themselves while still including the local ethnic groups, the Miskitos, Ramas and Sumos."

"To give you and EL NUEVO DIARIO's readers the necessary orientation," said Commander Campbell, "I will say that within the youth organizations there is an organization specific to the coastal area, known as 'Trouble Shooters.' This group is supposed to solve any kind of problem that may arise, whether it be social or political."

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GOVERNMENT TO TAKE MEASURES TO STRENGTHEN ECONOMY

Managua LA PRENSA in Spanish 5 Sep 81 p 6

[Text] Drastic measures of different kinds will be taken by the revolutionary government in the near future to try to overcome the serious economic crisis that is wracking the country, it was reported here today.

Ismael Reyes, interim president of the Higher Council of Private Enterprise (COSEP), confirmed that report, noting that he did not know what the measures would be.

The COSEP president stated this morning that yesterday he met with members of the National Reconstruction Government Junta and delegates of the Sandinist National Liberation Front (FSLN) at the old Nejapa Country Club, from 1700 to 2100 hours.

Reyes stated that the businessmen who attended the meeting did so as individuals and not as representatives of COSEP. The following people were present: Enrique Bolanos, Federico Lang, Antonio Lacayo, Ramiro Gurdian, Carlos Pellas, Alfredo Pellas, Alberto Chamorro and himself. He indicated that also present at the meeting were Dr Sergio Ramirez, for the National Reconstruction Government Junta, and Cmdrs Jaime Wheelock and Henry Ruiz for the FSLN.

Talks

When asked about the meeting, Reyes Icabalceta answered: "We were invited personally, eight members of the private sector. We had a meeting with Cmdr Henry Ruiz, Cmdr Jaime Wheelock and Dr Sergio Ramirez.

"During the conversation we learned that the government is concerned about the grave economic crisis the country is undergoing, including the lack of foreign reserves that could cripple the productive sector. We had a frank and clear exchange of ideas.

"We expressed the problems that we felt were preventing us from achieving and stimulating production and investment in the country."

Points

Reyes Icabalceta went on: "The points we indicated would be helpful for spurring production and productivity were the following:

"A policy of economic austerity on the part of the government; a legal-juridical framework to guarantee private enterprise; the upholding of the principle of owner authority, to allow businessmen to manage their own businesses in order to achieve greater efficiency; the elimination of takeovers and interventions in plants, which are killing productive enterprises; the definition of a mixed economy (for no one knows what it is in Nicaragua), so that foreign investment can be promoted; the implementation of laws to encourage the repatriation of skilled labor, professionals and technicians who have left Nicaragua; the promotion of productivity, putting an end to 'labor sloth' and absenteeism; the creation of an intelligent international policy, so urgently needed; equal treatment for the private sector as for the enterprises of the People's Property Area.

"We do not really know what measures they are going to take; all we did was express the problems of the business sector.

"In sum, what we requested was support for everything that will help increase production and avoid unemployment."

Emergency Law?

When Ismael Reyes was asked whether there was any response to those points, he stated: "As I said before, we only presented the problems we have. We believe they are very concerned. They will certainly take some steps, but we don't know what they will be."

Then the reporter said: "Look, Don Ismael, in three or four speeches or statements by commanders of the Revolution or members of the Government Junta, I have noticed that they have said the worst mistake they made was repealing the Economic Emergency Law.

"They have stressed that, and I think Cmdr Daniel Ortega emphasized it during his speech at the Hotel Camino Real, when he spoke before the International Organization of Employers (OIE). I think he made it very clear. That is why I ask you if an Economic Emergency Law could be implemented here, given the circumstances."

The acting president of COSEP responded to the reporter's query in this manner: "We don't know what measures they are going to adopt. We are certain that they are aware of the serious situation in this country.

"COSEP was the first one to fight to have the Economic Law repealed in 1980. I think that under the present circumstances such a law would not be appropriate, because it would not promote the necessary climate of confidence for investors, and what the government is doing now is taking steps to promote production and investment in this country."

When asked if political matters were discussed at the meeting, Reyes Icabalceta replied: "We did not talk of any political issue."

"With regard to what COSEP will do, we cannot venture an opinion until we know what the laws will consist of and what decisions are finally made. However, it

appears that the government is perfectly aware of how serious the country's plight is, and is willing to take measures to stimulate production in Nicaragua.

"Nonetheless, I can't tell you what those measures will be. I believe I presented a list of our demands, along with the juridical framework that will be necessary to guarantee private enterprise."

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CSO: 3010/17

PEREZ SEEN AS AD CANDIDATE IN 1983 PRESIDENTIAL ELECTION

Garacas RESUMEN in Spanish 13 Sep 81 pp 3-13

[Article: "AD, It Will Be Perez"]

[Text] Between July and October of this year of 1981, a political event has been occurring which cannot and should not be examined in comparison with its limited time frame (4 months); rather, it must be inserted into a far more extensive period of time, so as thereby to be able to understand the intrinsic seriousness of the drama that it contains. What has happened and is yet to happen during these 4 months (the event of the nomination of the Democratic Action [AD] candidate for the 1983 elections) has such power for hallucination, confusion and amnesia regarding the immediate past that it is advisable for anyone who meditates on (and hence worries about) the present and future of Venezuela to try to reconsider what has occurred during the past 2 or 3 years. This recommendation is particularly significant inasmuch as it is almost certain that the historians who study this current period within 20, 50 or 100 years will be better equipped to understand (and, consequently, to judge with commensurate severity) these confused days being experienced by those of us living today. Hence, so as not to be prophets of the past, nor worry within a few years about what we might have said or done, we recommend that those who are acting at present refresh their memory of the immediate past, in order to become fully aware of the terrain that we are treading, and of the abysses ahead of us. Only by so doing shall we be able to calibrate the degree of moral eunuchism that has been reached by Venezuela, bloated by the highest tax receipts in its history. Only by so doing shall we be able to properly categorize our disputes, our rights and wrongs, our grudges, our quarrels and our altercations as "emptiness." We may be asked: "What does the event of the selection of the AD candidate for the next elections have to do with the entire country? Isn't it confined to that party itself? Why burden the entire country with the decadence of one party, albeit a very important one? The responses to these objections are self-evident: because it is not the decadence of one party that is at stake; it is, rather, that of a system. And, therefore, it is important, before going into detail, to do a little refreshing of our memories of some of the "times" that we have experienced. Only by so doing shall we be able to calibrate, in all of its depth, the dreadful factor for upheaval, corruption and perversion that Mr Perez has been, and still continues to be. Perez is, and he continues to be, a personage whose carcinogenic harmfulness is of such magnitude that it is impossible to comprehend except through a sufficiently extensive chronological comparison, to ascertain what he is, has been and will continue to be. No one has had more than he; and no one has done less (proportionately). In 1974, Perez declared himself lord and master of the country. He requested, and obtained

dictatorial powers for legislating in the economic area by decree. At that time, he controlled the highest income in history: for times higher than what had been estimated 9 months previous. In addition to that, the country's enthusiasm was willing to accompany him in an unprecedented task. The tax receipts quadrupled, the international reserves tripled and the GDP doubled. Three years later, in 1977, he had to resort to the subterfuge of submitting a dishonest budget, because it had a deficit, something that is expressly banned by the Venezuelan Constitution. In 1978, for the first time in 50 years, Venezuela had a deficit in its balance of payments. What was worse, the service on the foreign debt for 1978 was larger than the last budget of the Caldera government. By 1979, the most frightful fiscal and administrative disorder prevailed in the country. And Perez had spent in 3 years more than Betancourt, Leoni and Caldera combined, in 15 years. But what was even worse, the shameless display of ill-gotten wealth, and of the most ridiculous illegal amassment of wealth ever recorded in the nation's history, was and is something impossible to conceal. In July 1979, the "Sierra Nevada" case erupted. Proportionately infinitesimal in comparison with other instances, the affair showed some of the symptomatic features of the government: abuse of authority, administrative vice, hypocrisy, unwarranted haste; but it was concentrated completely on one small group: Carlos Perez Norzagaray, Cecilia Matos and a consortium of unscrupulous businessmen, the Hatchwell-Toledano group, with a network of firms operating in areas ranging from bringing in Chinese to selling docks, milk, ships, kidney beans, telephone exchanges and financing services. The matter examined by an AD Ethics Committee had its most dramatic point in October 1979 (just 2 years ago), when this body determined Perez' liability in the sordid business. From that time to this, Perez has not only emerged unscathed, but has become the virtual owner of Democratic Action. Today, the "proper" one is caught up in his contradictions. Betancourt is away on a trip, Arturo Hernandez Grisanti is convalescing from a serious operation in Houston, Cristobal Hernandez is going about with his tail between his legs and Alfredito Coronil is emitting shrieks of "Lusinchista" euphoria, abetted by his crony, Carmelo Lauria, who set the trap for CARIVEN. Meanwhile, Ciliberto is busy offering ministries, governorships and embassies. Manzo Gonzalez is oiling his machinery at "Las Delicias." Gumersindo Rodriguez has taken the liberty of writing to Luis Herrera about the Sixth Plan of the Nation; Diego Arria is the godfather of Cecilia Matos' daughter in New York; and his associate, Luisito Nunez, dares to harass Caldera and back Perez. All this is happening in a country which, while having its highest oil income, has for 2 years been in a state of economic paralysis; and the general destitution is of such magnitude that the AD members claim that they will win the elections with any candidate. They give assurance of it, and the polls attest to it. Day by day, the problem with Perez is not his salvation, as was the case in October 1979, but rather how to curb the excess power manifested within AD, with the two major candidates his closest followers. Today, his problem is again that of 1974. He must administer his abundance of political power with a criterion of poverty. He cannot and must not fall flat on his face, proposing himself as a candidate for the party's secretary general post, something that he does not need, because he is the one controlling the party. But now, as in the past, there is the hope that he will administer his abundance with a poverty of criterion. Let us recall these "times."

First Time

Amid the election campaign, the country witnessed the assassination of Ramon Carmona, and observed with increasing alarm the extremes that had been reached in the corruption

of the judicial authority and the police authority. While that was happening, Perez started a campaign based on his personality paralleling that of the candidate Pinerua, and, through Resolution 34 of the CEN [National Executive Committee], succeeded in taking over the party.

At 1435 hours on the afternoon of Friday, 28 July 1978, 11 bullets pierced the body of attorney Ramon Carmona Vasquez. The incident occurred on Andres Bello Avenue in Caracas. Thus, the most dramatic police and political case in the contemporary history of Venezuela began. Many of its angles, perplexities and complexities have not yet been explained. The next day, the PTJ [Judicial Technical Police] claimed that Ramon Carmona's murderers were "common criminals." The head of the corps, Manuel Molina Gasperi, who was in Margarita at the time of the murder, flew to Miami, to meet there with the minister of justice, Dr Juan Martin Echeverria, and with Deputy David Morales Bello. The presence of the latter in the United States had been a secret up until that time, and has not been completely explained to date. On 30 July, the attorney general of the republic ordered the ninth penal judge of the first instance, Dr Alberto Martinez Moncada, to draw up the file on the case and to begin the investigation of the murder. On 2 August, Ramon Carmona's widow requested a "no action" suit against Minister Juan Martin Echeverria, for violation of the summary secrecy. On 4 August, an assembly of 300 lawyers requested of the attorney general of the republic the appointment of a special prosecutor for the case. During the days that followed, an attempt was made to accuse Carmona's own widow of having had her husband killed for emotional reasons. The PTJ, for its part, continued to claim that it was a case involving common criminals. The entire month of August elapsed amid confused reports, obviously issued by the PTJ in order to divert attention and cause confusion. On 17 August, a burned corpse appeared in the vicinity of Ocumare del Tuy. It was that of Oswaldo Isaias Ferrara, alias "Watusi." This was immediately connected with Carmona's murder, and attorney Claudio Gorsira, "Watusi's" defender, was implicated. On 21 August, Cleobaldo Ramon Martinez, who had also been accused of being Ramon Carmona's murderer, appeared at the PTJ headquarters. But the affair began to become complicated, rather than clarified. The superior penal judge, Francisco Cumare Nava, ordered an investigation conducted against a certain Renato Campetti, which Judge Martinez Moncada (the one investigating Carmona's death) had declared closed, to be continued. On 21 August, Ramon Carmona's brother created a suspicion which up until then had been merely a rumor, in the form of a request for the investigation of six employees of the PTJ in the murder of Ramon Carmona Vasquez. The month of August 1978 ended amid great confusion but, on 1 September, the Italian entrepreneur and builder, Renato Campetti, arrived in Caracas from Paris. On this occasion, he arrived under the protection of Manuel Molina Gasperi. However, during June and July he had been brutally harassed by the PTJ, and defended by Ramon Carmona. The newsmen put two and two together. The early days of September were confusing to the public at large. Campetti arrived accompanied by a certain Piero de la Corte. The presence of these two Italians began to be linked with the Carmona case. Judge Martinez Moncada "disappeared" and it was claimed that he was in Curacao or Aruba. On 8 September a ban was issued forbidding Campetti and De la Corte to leave the country. On 10 September, Manuel Molina Gasperi, violating this ban, allowed them to leave the country, in a clearcut case of abuse of authority. This incident focused the attention of the public at large on the past and present links between Molina Gasperi, Campetti and the murdered Ramon Carmona. Magistrate Gonzalo Rodriguez Corro began to play an active role in the case. On 12 September, the most dramatic incident occurred: Dr Manuel Molina Gasperi was dismissed as head of the PTJ. Attorney Pedro Torres Agudo assumed the leadership of the corps.

On 19 September, the 10th penal judge, Omar Arenas Candelo, summoned the former head of the PTJ, Manuel Molina Gasperi, to make a deposition in the "Playa Moreno" case. Meanwhile, the trial judge, Rafael Rodriguez Corro, continued the investigation to establish the connections between the Playa Moreno case (extortion) and the Carmona Vasquez case (homicide). At the end of September, Judge Guevara Sifontes took over the records of the Carmona case.

In early October, matters started to be clarified, and by then the PTJ's attempts to blame common or organized crime were forgotten. Individuals associated with the Playa Moreno firm began making statements to Judge Guevara Sifontes and, finally, on 6 October, Judge Guevara was given a manuscript describing the extortion of Renato Campetti by the wife of the PTJ chief, who on that occasion had been defended by Ramon Carmona Vasquez. On 10 October, a report prepared by the attorney general of the republic concerning the so-called "judicial terrorism" was made public; and, at 2300 hours on 11 October, at a press conference in the Ministry of Justice, two PTJ agents were cited as material perpetrators and concealers of the Carmona Vasquez crime. The material perpetrator turned out to be Anouel Pacheco, and the concealer, Gilberto Castillo. Finally, the witnesses to the crime appeared, and were questioned again by Judge Guevara Sifontes. The public started obtaining details about the "Gato Group" and were terrified that those were its police.

On 16 October, the prosecutors Gomez Romero and Rendon Oropeza were suspended through disciplinary measures, and different prosecutors were named to intervene in the Carmona case. October 1978 ended with increasingly significant details about the crime: the vehicle used, the weapon, the witnesses and, in particular, the sinister "Gato Group." While all this was going on, there was an election campaign in the country. On Sunday, 10 September, Romulo Betancourt ended his campaign in the state of Aragua in support of the candidacy of Luis Pinerua Ordaz. The only mention that he made of Perez was the following: "It is a matter of history to credit the administration of Carlos Andres Perez with the nationalization of the oil industry." But his mysterious "messages" to Carlos Andres Perez came later. Reminding Venezuelans that Perez was a star on the way to disappearing, he made the following comment: "You have heard me speak about my faith in and optimism about Venezuela, and that faith has firm foundations. It is a country in which the people elect and give themselves their rulers; it is a country in which the one spending 5 years in Miraflores, which is the period established by the Constitution, does not seek reelection, and anyone who attempted it would leave there by a narrow escape." To what did this refer? Obviously, no one thought that Perez could be reelected. However, another little known fact must have had enormous subsequent implications which have lasted until our time. During 1977, Romulo Betancourt had started a campaign for moral reform within AD, the immediate goal of which was the nomination of Luis Pinerua Ordaz as a candidate for the presidency of the republic, and the end goal of which was the severe punishment of those within the government of C.A. Perez, and not excluding the latter, who had illegally amassed wealth under the protection of their power. In 1977, Romulo Betancourt was seriously considering the possibility of prosecuting at least Diego Arria, Hector Silva and Gumersingo Rodriguez, and quite possibly Perez himself.

On that Sunday of 10 September, Romulo Betancourt gave a reminder of it. An action to which he had been forced by the faintheartedness and indecision of Pinerua, and by the tremendous clout of the economic power of the government, which had started

a campaign parallel to that of the candidate Pinerua, as if the candidate were Perez, prompted him to speak in that manner. In fact, Resolution 34, adopted by the AD's CEN in the middle of 1978, was the price that Pinerua paid: the party for the government. The CEN's Resolution 34 established an unidentified "incompatibility" between the functions of general secretaries of the CES (Sectional Executive Committees) and the respective candidacies for deputy or senator. This was how 19 of the 25 sectional secretaries were dismissed, with Perez' followers replacing Pinerua's followers. In 1979 and 1980, when the "Sierra Nevada" affair and that of the election of the secretary general were involved, this action would be decisive. Pinerua exchanged the party for the government. But he did not win the government; and he could never retrieve the party. On that 10 September 1978, Romulo Betancourt returned to his same old tune from the year before, making the following comment, among other things: "I have stated without fear that an opposition which is sometimes scurrilous has distorted my remarks, and that our democracy has flaws and even scars. Administrative corruption exists there, using the garrote; public services operate in a defective manner; and in centers as vital as those for public health, hospitals and other treatment agencies, the shortcomings are obvious. Along with many efficient public servants there is an arrogant, lazy, evasive bureaucracy, which considers the citizen not one demanding a service paid for by the state, but rather a second-class person. For this reason, Venezuela needs a strong government."

While all this was happening, where was the interest and the time of the political realm? It was totally engaged in the crude struggle involving the lists of members on the slates of candidates for the deliberative bodies. The "representative" democracy which does not represent those represented was selecting, in the struggle of the parties' inflexible oligarchies, the candidates that the people should have been choosing, on lists wherein the voter's opportunity for selection is nil. The interesting part of this is to recall now, not those who were included on the lists, but rather those who were excluded. For example, on the AD lists, the following were excluded: Jose Gonzalez Navarro, Guillermo Salazar Meneses, Miguel Angel Contreras Laguado, Angel Farinas Salgado, Gumersindo Rodriguez, Eleazar Pinto, Fernando Baez Duarte, Alberto Federico Ravell, Luis Gonzalez Herrera and Ivan Pulido Mora. Excluded from the COPEI [Social Christian Party] lists were: Hugo Briceno Salas, Alfredo Rodriguez Amengual, Oswaldo Osorio Canales, Milagros de Gonzalez, Rangel Quintero Castaneda, Manuel Selva, Lorenzo Eduardo Fernandez, Julio Cesar Moreno, Guido Diaz Pena and Rodolfo Jose Cardenas. Finally, in November 1978, the explanation of the Carmona case was forthcoming. Numbers 263 and 264 of RESUMEN were critical in this regard. In them, with great meticulousness, there were the details of the cases of the extortion of Campetti, the defense of Carmona, and the deal involving Playa Moreno; Guillermo Salazar Meneses' report about it was published; the presence of a mysterious "lady" friend of the president was cited, as a beneficiary of some plots of land involved in that urban development of Margarita; mention was made of her presence at Campetti's elegant country house in Portofino; and, finally, on 3 December 1978, belying the polls which had indicated Luis Pinerua Ordaz a few days earlier as the winner, the country voted against the entire insufferable corruption of Perez and his government, without reaching the conviction that the "proper" one could do anything else or different. Just a few days after the elections, in early December, the Council of Ministers approved a strange "barter" transaction to exchange some floating docks for the ship "Sierra Nevada" which had been purchased in 1977 from a company in the same group that was now offering the barter. No one knew anything about that. In December 1979, everything would be known.

Second Time

In July 1979, Leopoldo Diaz Bruzual disclosed the matter of the ship "Sierra Nevada." After having accused John Raphael of the deal, and incriminating himself in a public letter to the editor of EL NACIONAL, Perez offered to commit suicide or to go into voluntary exile if the Ethics Commission did not make his "decision" public. In December 1979, the CIEI [Committee Investigating the Illegal Use of Public Funds by Public Officials and Employees] declared him "under investigation."

The drama took place in the residence of Reinaldo Leandro Mora. The month was October 1979. The issue: the decision of the "Party Ethics Committee" of Democratic Action regarding the matter of the purchase of the refrigerated ship "Ragni Berg." In this report, finally, the following statement was made: "From all that has been explained, it is our moral conviction that the purchase of the refrigerated ship 'Sierra Nevada' was hasty and seriously detrimental to the national interests. Those who decided on that purchase did not act as good administrators; they did not request other bids; on the contrary, the transaction had a name of its own since its beginnings. In other words, the refrigerated ship was the 'Ragni Berg', the one offered by HICE SA. Nor was the matter of the ship's purchase taken to the Council of Ministers, when it involved a transaction with 86 million bolivares, payable cash down to a seller who exercised a purchase option, and from whom no bank reference or references of any other commercial type were requested. There was no bidding and, finally, a ship was bought which has not been used. There is a moral and administrative responsibility involved in this, and we declare this to be so. In our opinion, this moral and administrative responsibility is borne by the former president of the republic, Mr Carlos Andres Perez; the former minister of development, Dr Luis Alvarez Dominguez; and, to a lesser extent, by Dr John Raphael, because even though he carried out the instructions of the minister of development, he should have been more diligent with regard to the analysis and evaluation of the offer. We have reason to believe that there were involved in the transaction for the purchase of the ship 'Sierra Nevada' persons who acted dishonestly, and who accrued illegal gains; but the Ethics Committee is not in a position to mention names or indicate those to blame." Caracas, 10 October 1979. Marcos Falcon Briceno, Luis Gonzalez Herrera, Juan Herrera, Blas Bruni-Celli, Andres Eloy Blanco.

The text of this report had been leaked to the public. At the interment of Eugenio Mendoza, on 17 October, the rumors were circulating like wildfire. EL MUNDO of 18 October announced on its front page, "AD Ethics Committee Sought Penalties for Several of Carlos Andres Perez' Ministers." It was known that the Ethics Committee, in an act of magnanimous courtesy, had visited Carlos Andres Perez to give him a copy of the report. One of those present described the Greek scene as a "fainting spell" in which Perez lost control of his emotions: he shouted, threatened, begged and offered to go into voluntary exile; and when none of that seemed to have an effect, he suggested a preference for "the fate of Alirio," implying thereby that he might end his life by firing a shot at his head. Ridiculous episodes were not lacking. For example, on the Venevision Reporter program on Friday, 19 October, Dr Bruni-Celli admitted to the reporter that he had already given the report to the secretary general, Alejandro Izaguirre. But, on another occasion, Dr Alejandro Izaguirre claimed that he had not received it. But it was at the residence of Reinaldo Leandro Mora that the drama was truly terrifying. There, Perez whined,

wept, shouted, offered to shoot himself, complained about the leaking of the report and then ended up asking that it be made public. His lies and contradictions had assumed an increased rate. Far earlier, in May 1978, when the COPEI members, not certain of what was involved, exposed some evils in Corpomercadeo [Marketing Corporation], including the purchase of the "Sierra Nevada", Perez had, in the presence of the full Council of Ministers, ordered his Minister Celestino (not Arria, but Armas) to deny the "COPEI lie." Later, on 15 August 1979, Cesar Messori, then with EL NACIONAL, reported that Perez had said that Diaz Bruzual's charge had put them in a compromising position. On that occasion, he remarked for the first time that the purchase of the ship had been a mistake, and that he had ordered the vessel exchanged for some floating docks. On 12 September 1979, he lied again, attempting to put the blame on John Raphael, and claiming that he had ordered Raphael's dismissal for this reason. In August, Raphael had already explained, with numerous documents, that the one who had ordered the purchase of the ship was Perez, and not he; and all this had been confirmed by the minister of development, Luis Alvarez Dominguez. But it was on 27 September 1979 that Perez made the most serious mistake, by confessing, in an open letter sent to the editor of EL NACIONAL, his guilt in the matter, as well as the commission of many deceptions. In any event, the Ethics Committee had received a large amount of testimony, including that of Carmelo Lauria, who described in detail how the deal had been planned at the La Lagunita residence of Cecilia Matos by Carlos Perez Norzagaray and Mauricio Hatchwell-Toledano.

While all this was happening, on 29 September President Luis Herrera went before the country to explain various administrative aspects associated with the state in which public finances had been found. Mentioning a debt of "a hundred billion," the president cited the so-called "Bolinaga Report," embellishing all of this with some examples illustrating the frightful disorder that he had discovered, including that involving the port workers' resting places and the forging of records of the Council of Ministers by the secretary of the presidency of the republic, Carmelo Lauria, which caused the misappropriation of over 90 million bolivares, through the Ministry of Information, for a so-called "institutional advertising," but this was nothing but Perez' parallel advertising for the candidate Pinerua. It is strange now to note that, in Perez' response to Herrera, he mentions "rescuing the country from optimism."

Third Time

The Conspiracy, the Antihistorical Alliance

The reaction was not long in coming. At first, it was gross, rash, senseless and stupid. Perez claimed at a CEN meeting that the one behind the entire "Sierra Nevada" affair was the multinationals; the multinationals, he claimed, "beaten" by their nationalist, Third World policy. In view of the grossness of this, it was Gumersindo who gave him the little word that he needed: "conspiracy." "Every conspiracy has conspirators," he remarked.... And who is more of a conspirator than Caldera? While that was going on, the public was removing the veils that concealed the ship transaction. A minute analysis was made of the assessment of Gibbs & Cox, which turned out to be not an assessment, but rather an expert appraisal. Access was obtained to the bill of sale, which showed that there was no doubt that the seller received only \$11.9 million, whereas the nation had paid \$20 million. It was found out which person and persons comprised HICE, a phantom company, like so many others of the Hatchwell-Toledano group. But this was all surrounded by police

ineptitude, judicial inefficiency, and lack of speed and cooperation on the part of the government, nevertheless. Little by little, the situation appeared increasingly evident. Finally, there came the decision of Judge Marcano, which was the introduction to the debate in Congress. And, lastly, the "Tenorio Report" with its aftermath, the confused voting with an unexpected result: Perez was "acquitted of guilt by a single vote." Today, it is worth the trouble, and "trouble" is the word, to reread the speeches of Alvarez Paz, Salom Mesa and Tenorio Sifontes...and those of Perez and Morales Bello.

Fourth Time

Lusinchí won the secretary general position. The "consensus" candidate was defeated. Perez emerged as leader of AD while the Herrera government became steeped in discreditation.

In April 1979, a month after Luis Herrera took office, Jaime Lusinchí made public a document in which he stated that he wanted to be secretary general of AD. At that time, the same arguments were used against Lusinchí which Lusinchí's adherents are now using against Morales Bello: It is not feasible to subject the party to an internal dispute. What was really not feasible was to subject the Perez sector to a confrontation wherein they would run the risk of losing what they had gained as a result of the famous "Resolution 34." Therefore, Lusinchí's ambition remained brooding during all of 1979. One of the results of the "Sierra Nevada" affair was the cohesion around Perez of the group which found its very existence within the party threatened, in the event that the former president should be convicted or expelled.

All of this helped to solidify Lusinchí's ambition, and to make it materialize. The opposing sector, on the other hand, was divided by considerations of all types about the handling that should have been given to the "Sierra Nevada" case; but its most serious mistake was attempting to counter Lusinchí with a consensus candidacy, which had neither a first name or surname, and which did not achieve cohesion with anything or anyone. The candidacies of Arturo Hernandez Grisanti and Humberto Celli, if they had had the backing (either of the two) of Barrios or Betancourt or Pinerua, might have gotten off the ground. Particularly tragic is the case of Hernandez Grisanti, who was the one that was really "diminished" in his confrontation with Perez, and, on the contrary, was left alone and without support by the man to whom Hernandez Grisanti had been most loyal: Gonzalo Barrios. The country as a whole, and the system specifically, with its constitutional mechanisms, certainly lagged behind the courageous step taken by the AD Ethics Committee. After it had declared Perez under investigation by the CIEI, he was acquitted. After Judge Marcano Battistini put the charge against Perez into the hands of the attorney general, he did nothing. After he had been investigated by Congress, Congress ended up acquitting him. Then came the Ortega affair, the Canacho affair, etc., and, meanwhile, Lusinchí's candidacy grew without opposition, because the "orthodox" sector had never created it and could not agree to back one of its own members. Thus, Lusinchí became secretary general of AD. But he had not been sworn into office when David Morales Bello made it known quite clearly that the group's unity, essential for saving it from the storm of "Sierra Nevada," went only that far, and the matter of the candidacy for the president of the republic had to be danced to a different tune. While all this was going on, the Perez sector not only became consolidated but, on account of the tremendous decline of COPEI and the Herrera government, acquired an increasing

impetus. In a poll taken by Gaither International SA, published in June 1981 and relating exclusively to that CPEI stronghold, Maracaibo, this evolution was quantified in a dramatic fashion. For example, in September 1979 26 percent disapproved of the government program. In September 1980, it was 58 percent; and in July 1981, it was 73 percent.

In any event, what is important to stress is that Lusinchi's victory, which was unquestionably Perez' victory, represented for the latter a new, although now enviable problem: that of the almost complete hegemony within AD. The result of this is evident today. The potential AD presidential candidates who do not belong to the Perez movement have no great chances. It is Perez' two deputies who are now vying to be the AD candidate in the 1983 elections.

Fifth Time

The Blow From the Trade Union Bureau

Since this time is recent, we need not give a reminder of it. It is only important to consider that what at the outset appeared to be an overwhelming wave no longer is such. But, what is most important is the fact that the Perez sector has won its most decisive victory. It has succeeded in confusing the adversary, making the latter embark on contradictions and succumb to disloyalty, quarrels and resentment. The "orthodox" sector of AD is in a state of obvious retreat. The trade unionists are at the brink of the ridiculous; and Pinerua is making statements and retracting them in a matter of days. Perez' candidacy for the office of secretary general was only a trial balloon of the clever Andean. He made people run, threatened them with a phenomenal severe reprimand, and made them see what the entire country nowadays accepts as a fact: AD, it will be Perez.

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